

**AGADIR ACTIVITY MANAGEMENT SERVICES  
PROGRESS REPORT #2**

**SECOND QUARTER 2001**

**Prepared for:  
USAID/Morocco**

**Under Delivery Order No. OUT-PCE-I-809-98-00015-00  
Requirements Contract PCE-I-00-98-00015-00**

**Submitted by:  
Chemonics International Inc.**

**July 1<sup>st</sup>, 2001**

## BACKGROUND

Technical assistance for implementation of the Agadir Activity Management Services is provided by Chemonics International Inc. under a Task Order, with a total estimated cost of \$1,983,649. The objective of the Task Order under the GBTI IQC PCE-98-000 -15-00 is to strengthen the institutional effectiveness of three key industry associations (APEFEL, GRIT and FIPROMER) of the Souss-Massa-Draa and to develop Total Quality Management at the Commercial Court of Agadir. The three key associations are to be used as intermediaries to deliver business support services to small and medium enterprises in the region. The overall goal of the activity is to improve the competitiveness of Moroccan products in world markets by raising of professional standards and lower costs for all of the associations' members. Chemonics International also has the mandate to provide technical assistance, training and commodities needed for the Commercial Court of Agadir to increase its efficiency and effectiveness.

## Summary

Chemonics Team completed its Second Quarter of activities. Association work in this period was focused on the missions of the international sectoral advisors (James MacGregor for GRIT, Daniel Malenfant for APEFEL, and Jacques Gobeil for FIPROMER) to Agadir. The associations themselves defined work priorities to ensure that activities financed by USAID meet their specific needs, and that consensus and support are built among their members. All the equipment budgeted for in Clin # 2 and Clin # 3 has been ordered or acquired. Some of the training was offered. Local suppliers were short-listed and trained, and Moroccan experts with sector specific expertise (agriculture, sea products and tourism) in the use New Information Technologies (NIT) including the design and development of Web Sites and databases, were identified. The Chief of Party took part in the joint USAID/Ministry of Justice mission to Egypt, as well as in a meeting held in Rabat to discuss the equipment suggested by Chemonics for the Commercial Court of Agadir. Training of the judges in General Management was organized and training in English continued. Various approaches on how to proceed with the development of training modules (8 modules of 30 hours) for the professional training of the judges were proposed to the Ministry of Justice.

The reporting format of the Quarterly Report has been modified. The format used for the first Quarterly Report (April 1<sup>st</sup>, 2001) was based on the Short-term Work Plan (February-June 2001) developed by Chemonics upon arrival in Agadir. Activities were mostly identified through the MOUs, the organizational diagnostics of the needs of the three associations, and the Ministry of Justice's Action Plan. Chemonics team had only limited knowledge of the specific needs of each industry association, -their export markets and their members' needs. Activities identified in the Short-term Work Plan were therefore generic. For this and future Quarterly Reports we propose to use the Per Activity Budget Document developed this quarter. At the request of USAID, a substantial amount of work was devoted to developing a working document to outline the activities agreed to by all parties involved. We intend to use it as a baseline against which to report on our progress and activities. For easier reference, the document is annexed to this report.

In the case of the Commercial Court of Agadir, we also proceeded with some budget planning but the basis of our activities is the Action Plan provided by the Ministry of Justice.

## **SECTION 1: ADMINISTRATION**

While most of the First Quarter's administrative activities were devoted to secure an office and hire local staff, the second quarter of 2001 was devoted to the training of local staff, matters linked to TVA and intensive Per Activity/Budgeting exercises for Clin #2 and Clin # 3 activities.

Two missions were undertaken by Chemonics Home Office staff. Our field accountant Ousmane N'Diaye spent a week in Agadir to train our administrative assistant in the use of Quick Books, the accounting software used by Chemonics' field offices throughout the world. The mission planned for in the Task Order was extremely useful. Mr. N'Diaye arrived in Agadir on May 7<sup>th</sup> and departed on the evening of the 11<sup>th</sup> to continue his journey to Mozambique. Only the portion of his airfare to travel from Washington to Agadir was billed to the project, since Mr. N'Diaye's trip to Mozambique was also work related. Robert Carpenter, the home office Project Administrator of the Agadir Activity Management Services Management Activity, also spent a little over a week in Chemonics Field Office in Agadir. He arrived on May 20<sup>th</sup> and departed on June 1<sup>st</sup>. The main purpose of his assignment was to set up or finalize project office administrative systems, and review Chemonics and USAID policy procedures. Particular attention and time was devoted to reviewing the budget structure, procurement procedures and documentation/record keeping practices with the local staff.

Aicha Mokrani of USAID/EG visited Agadir to explain the procedures for dealing with TVA to all USAID projects. She spent a morning with our Administrative Assistant to review the procedures in details. It appears that delays we experienced so far (our first waiver requested at the beginning of February was received the last week of June) will be greatly reduced after discussions were held between USAID and the Ministry of Finance.

Lastly, two weeks were spent preparing a per activity budget. The first budget presented to USAID on April 27<sup>th</sup> was based on the three associations requests and Chemonics' original budget proposal. We were requested to revise it based on the activities planned in the MOU (initially identified by Sud-Contact), and to be within budget (total \$733 000 for the 3 associations). The revised per activity budget was submitted to USAID on May 31<sup>st</sup> and accepted. It should be noted that the activities listed and related budget do not constitute a formal Work Plan. Choices of activities, within the agreed MOU, can still be tailored to each individual associations' constraints and needs. Estimated budget line items could vary accordingly. The document still represents an improved working consensus which will facilitate the work ahead.

## **SECTION 2: THE PROFESSIONAL ASSOCIATIONS**

The most critical work done with the associations was the organization of a Focus Group in which a large share of their members participated. This activity was deemed necessary because associations unilaterally rejected the organizational diagnosis conducted by Sud-Contact. They did not recognize their needs and concerns in the document that was submitted to them. We choose not to argue the value of the document. Instead we suggested to make it more specific, building on one common feature that the three associations shared and agreed was important to them: they represent export oriented industries that are captive to traditional markets. From that working base, we invited them to a working session to see how the use of New Information Technologies (NIT) could assist them (or not) in the challenge they were facing. Results were convincing and are presented below. Associations were able to see for themselves that when applied to their specific situation, one generic solution NIT can become very specific.

In all three cases, the main activity was bringing an international expert specialized in each of the sectors concerned (seafood industry, agriculture and tourism) to Agadir for a short-term mission. Each mission lasted a little over a week. In order to maximize the benefit resulting from each expert work and advise to the project, project staff worked closely with each consultant.

Initially it was preferred to recruit one local sub-contractor to implement several of the startup association activities, hence diminishing the administrative burden on the implementation team (identification, recruitment, selection, approval, hiring and briefing of sub-contractors). Now we expect to hire multiple sub-contractors to work at the same time for each organization. Rather than implementing actions in a sequential way, we will now proceed on all fronts at once, and activities will be simultaneously implemented.

Several national NIT firms possessing experience in the industry sectors concerned have already been identified and draft TORs have been developed.

### **APEFEL**

The Focus Group for APEFEL was held on May 5<sup>th</sup>. The sectoral expert Daniel Malenfant attended the one-day workshop that was facilitated by FOCS from Casablanca. At the end of the meeting, the members in attendance came forward to talk to the organizers and facilitators and express their satisfaction. They agreed that it was a success. They were very pleased with the fact that for the first time in several years APEFEL members reached consensus on the association priorities, and shared a common view of the future. The report from the Group Focus prepared by FOCS is already available while Daniel Malenfant Mission report is expected imminently. Based on the exchanges with the international expert and APEFEL's staff and the work achieved during the Focus Group Focus, the main priorities and weaknesses of APEFEL can be summarized the following way:

Staff lack precise knowledge of their constituents – APEFEL does not have any form of database of its memberships and cannot use any statistical information with certainty. It does not have a clear idea of its members' needs. Decisions are based on the association's knowledge of overall agricultural problems and communities, not on the basis of members' specific concerns and problems.

Need for better work structure to improve staff efficiency – APEFEL staff already provide numerous services to the associations' members. This comes, however, at a high cost. Staff are overworked. All requests for information are answered -- while no distinction is made between members and non-members (providing no incentive to become a paying member), or between information of specific interest to one producer and what is of general interest to a large number of producers. These Identifying and tracking these distinctions can be the basis for determining which services should offered for free and for which they can charge a fee. This will also optimize the work of APEFEL's staff.

Internal communication with a large and heterogeneous membership is difficult, time consuming and not very effective – a communication strategy and variety of communication tools need to be developed. The web site to be developed will help alleviate substantially external communication/marketing problems. But our efforts will also build on the APEFEL outreach objective to open three (3) sub-branches more accessible to its small producer members. Good communication between APEFEL and its members is critical for the much-needed "mise a niveau" of the small producers and the relay of financial and technical information it implies. A dynamic approach to improving communication and between the association its members will continue to be essential. Further, it is not clear for anyone within the association how APEFEL can assist its members without significantly overlapping with the missions of the Institut d'Agronomie or the Ministère de l'agriculture. Clearly, APEFEL's role requires further clarification.

The information to be included in the membership database is to be specified by Daniel Malenfant. An Agadir-based consultant to collect and processing information has been identified, and two Casablanca firms (which have the capacity to develop all the databases required by APEFEL) will be visited the first week of July. The terms of reference are ready to be discussed and revised with APEFEL and a contract issued. APEFEL has been asked to set up a steering committee to assist with the study on communications. Work cannot begin or even terms of reference elaborated until APEFEL has specified the role of the technicians to be recruited for its sub-branches.

An Overseas Study Tour (OST) is currently been discussed. Priorities according to Mr. Malenfant should be given to APEFEL staff and perhaps two main committee leaders. It is through greater staff efficiency that APEFEL can most improve its services to members. Mr. Malenfant rated APEFEL staff as highly knowledgeable and dedicated to its work. They would however benefit from some exposure to the operations of more established and efficient associations. Each staff member will be teamed with someone having the same role within their organization, so that they can see how work is organized and relationships with members are managed. The OST is planned for the beginning of October, pending final approval from APEFEL's new leadership.

## **GRIT**

James Macgregor's report (international expert in tourism) has been received, distributed to all members and discussed within GRIT. Actions identified for immediate implementation and that are related to the NIT will be implemented through the MOU signed with USAID (see J. Macgregor, *Agadir Souss Massa Drâa: Tourism Development Opportunities* Spring 2001). The overall Action Plan proposed by Mr. MacGregor leads to the repositioning of the Agadir region as a cultural and eco-tourist destination. Agadir will have difficulty continuing to compete if it remains merely a beach destination (margins have been steadily decreasing over the past years to the point where Agadir is becoming a low standard destination). However, it does have resources that are in increasing demand worldwide. The market segments require to be identified, the region promoted, and new products developed. Through our work, GRIT will have the information required to develop the products in demand, the market segments identified and the tools to promote the region. It will be the association's responsibility to secure the funding required for the implementation of the Action Plan Phase 2 – Development of products - in the backcountry, where corridors with tremendous eco-tourist potential have already been identified. Timing is perfect and resources and infrastructure are in place for the development of rural tourism in Souss-Massa-Drâa, according to the expert. Those resources are the region's real assets with respect to the expected increasing demand in tourism for the current decade. Overall sustainability of Phase 1 is linked to the implementation of the Action Plan Phase 2.

The terms of reference for the design of the two surveys to be conducted (Exit Survey and Tour Operator Survey) and Data Analysis and Market Segment identification have been drafted and approved by GRIT. It was commonly agreed to work with James Macgregor again, given USAID approval. It is felt that no specific eco-tourist expertise is required for the implementation of the activities as such, as long as they are carefully designed. The data analysis, report writing and information sharing to be done after the first 3 months of data collection will be led by James Macgregor. He will conduct a workshop that will involve GRIT's relevant committee members and staff who will, through the one-week exercise, be trained in using the methodology and be able then to pursue the work. GRIT is currently requesting the participation of the various airlines and Motor Coach Travelers in the study and a protocol for collaboration with everyone of them will be signed. While the surveys are not yet completed, the past 15 years of statistics have been put in an electronic database (and provide very useful baseline information on Agadir).

In addition to the two administrative staff already in place, a Director has been appointed to GRIT. The presence of a full time permanent manager will greatly facilitate our work with the organization.

## **FIPROMER**

Little progress was made with FIPROMER, partly because the association was involved in the conclusion and evaluation of a program funded by the Canadian Cooperation and thus requested that we delay implementation of the MOU until May.

Our original strategy was to assemble FIPROMER members around one activity of interest to many members. Once involved, we could discuss further their interest and participation in the association. Following our discussion with FIPROMER President and the only three active members, diversification of export markets and more specifically access to the North American market appeared to be something that would raise much interest within FIPROMER. An international expert from North America, Jacques Gobeil, was recruited, Mr. Gobeil conducted a short assignment in Agadir from May 9 to 17. An expert on sea products markets, he began his mission with a presentation to the industry members. All members were invited, however only the President, the Secretary General and the three members mentioned earlier responded to the invitation.

Chemonics personally contacted some industry operators to arrange for individual meetings so that Mr. Gobeil could assess both the potential of the sector in terms of export to North America, and the relevance of an industry association, given the seeming lack of interest. The individual meetings went well and were very instructive. Mr. Gobeil's report is expected the first week of July. His main conclusions were:

1. There is an unquestionable need for a strong industry association, and this need was repeatedly voiced by individual industry members;
2. Much could be done by FIPROMER to help the sector, providing FIPROMER agrees to operate in a more democratic way and regain its members' confidence;
3. Major investments are required from several operators who would be willing to pay to have access to the specialized services they need;
4. None of the operators visited currently have the technical ability to enter the North American market.

Base on his experience with similar associations (as manager and consultant), Mr. Gobeil will suggest to Chemonics ways of dealing with the current situation, identify how to develop the association's capacity to service its members, and suggest activities FIPROMER could engage in (with USAID support) to prepare the industry to enter the North American market. Market segments will be identified and a strategy outlined.

Chemonics will distribute the report to all current and former association members. In the presentation letter we will request some expression of interest from the industry by asking for the creation of an independent steering committee to oversee the implementation of USAID-FIPROMER MOU. We hope this will solve our main problem, which is the absence of any staff to work with us (FIPROMER staff comprises one secretary and a delivery boy), and the lack of inclusion of association members in the activity formulation process beyond the President and the three active entrepreneurs.

In a recent conversation with the President of the association we were informed that incomes are being generated and that FIPROMER problems will now be solved. The government reactivated a levy on fish exports that is redistributed to the industry associations. On the contrary, we think that this levy may be detrimental to the association, as it will allow FIPROMER to continue to exist without any increased involvement of its members. It will not need its members' financial contribution and thus will easily continue to operate in a non-democratic manner. Also, levies on exports are being abolished worldwide, since they are considered detrimental to exports.

We hope that the momentum created by the USAID EG team will be seized by both FIPROMER's current leadership and its members, especially once specific tasks are identified. In the mean time, we ordered some of the equipment requested by the association (what could be justified given the current situation), and will begin the training of its two employees.

### **SECTION 3: THE COMMERCIAL COURT OF AGADIR**

After being slightly delayed by decisions taken at the Ministry level, work with the Commercial Court of Agadir has now resumed. The 2<sup>nd</sup> Quarter began with the participation of the Chief of Party in the joint USAID/Ministry of Justice mission to North Cairo in Egypt (April 28<sup>th</sup> – May 4<sup>th</sup>). Mr. Abed Shamlawi from Chemonics' AMIR Program in Jordan met the COP in Cairo. Mr. Shamlawi is a Chemonics computer expert who participated in the mission to assist the Agadir COP with the highly technical mission subject matter. Although the costs linked to Abed Shamlawi mission were not charged to the project, his report was made available to USAID and to the Ministry of Justice. His conclusion concurred with those held by the mission's members to the effect that the CMA used in Egypt could not be readily used in Morocco's court system and would require major modifications.

Equipment specifications for the Tribunal of Commerce was discussed with the Ministry of Justice Chief Computer Specialist while in Cairo. Final decision was taken after a meeting held in Rabat in which all parties involved took part (USAID, Ministry of Justice and Chemonics). Arguing for conformity throughout the Commercial Courts of the country, the Secretary General of Justice requested that the equipment specifications provided by its experts be respected in full. Chemonics is now awaiting IRM approval and is ready to proceed with the procurement. It was agreed that 9 computers would be acquired locally as well as related furniture, a datashow projector and screen to furnish a training room at the Tribunal of Commerce. The purchase order has been submitted to the supplier and we are now awaiting delivery. Detailed plans of the Tribunal have been obtained, as well as the Ministry's specifications for cabling, and a call for proposals is now ready to be issued. We plan to have the work done in the building during the month of August when most of the staff is absent. Mr. Moumin, the Tribunal's computer expert will be trained in Database Management on SQL Servers, Management of Windows 2000 Professional and Server, and Mastering WEB Application Development Using Visual Interdev. He will be in Casablanca from July 9<sup>th</sup> to 27 but will be back in Agadir in time for the cabling of the building. Mr. Moumin is Chemonics contact at the Tribunal for everything dealing with equipment and computer training. While the training is organized by the Ministry of Justice (for a group of 30 court computer experts), Mr. Moumin's travel and Per Diem will be charged to the project.

Negotiations are currently being conducted with OFPPT, the training institution selected by the Ministry of Justice to provide computer training to the Tribunal staff. The four-year agreement signed between OFPPT and the Ministry of Justice could not be followed given the time constraint under which the Agadir pilot project operates. We added to the OFPPT mandate and responsibilities, while respecting the spirit of the Agreement and identifying the training content. Items such as responsibilities for transportation of the trainees, coffee break and location of the training where added and/or modified.



A contract was signed with ENCG to provide the 40 hours of training in General Management for judges, as per the Ministry's Action Plan. Training in English also continued.

Two options for the professional training of judges were developed and submitted to Mr. K. Laraichi, the Ministry of Justice designated contact for non-computer training. Eight (8) modules (30 hours each) in laws and on various international conventions are to be developed for the judges. We are awaiting the Ministry of Justice's feedback to proceed.

We accidentally found out that a computer specialist from the Ministry of Justice from Rabat will be in Agadir on July 4<sup>th</sup> to install 3 computers and part of the software to be tested for the Registry of Commerce. We wish we were informed of progress the Ministry is making with respect to software development for the Commercial Court.

The issues of professional training of judges and of software development outlined above raise the overall question of whether Chemonics will be accountable for achieving results if we are not regularly and completely informed of Ministry of Justice decisions about automation of the Commercial Court. The lack of a shared understanding, and transparent communications make it difficult to implement a "Domain Driven Approach"

## CONCLUSION

The Chemonics team in Agadir is satisfied with progress made in this 2<sup>nd</sup> Quarter. Given the need to further refine the Agadir Activities Management Services activities plan during this period, activities were planned and implemented at a reasonable rate.

Yet substantial work still needs to be accomplished in a short period of time. But he remain confident that the results targeted by the Agadir Activity Management Services can be reached.

We thank USAID/Rabat for its constant support and encouragement in implementing the Agadir Activities Management Services.